

HOUSING FOR ALL INCOME LEVELS

San José's Affordable Housing Program

The City Council formed the Housing Department in 1988. Successive mayors and city councils have consistently supported the building of housing that is affordable to low – and moderate-income households. To date, they have committed \$300 million in local funds for affordable housing. Additionally, the Council has worked with the community to overcome NIMBYism – “Not in my backyard” – a common reaction to affordable housing developments that often impedes achievement of affordable housing.



POLICY INITIATIVES

Since the late-1980s the City, in cooperation with the Redevelopment Agency, has adopted and implemented policies that:

- Promote housing production, especially for those most in need
- Encourage affordable housing that enhances the quality of neighborhoods throughout the city
- Further the principles of smart growth

These policies include:

- *Funding Housing for All Income Levels:* At least 60% of the City's affordable housing funds must be spent on units for affordable to very low-income households. A maximum of 25% and 15%, respectively, may be spent on units for affordable to low- and moderate-income households. The San José Redevelopment Agency has also provided the City with increased funding for housing units affordable to extremely low-income households (those earning less than 30% of area median income by household size).
- *Dispersion:* New, affordable rental housing should be constructed in more affluent neighborhoods. This policy is intended to avoid further concentrations of housing affordable to lower-income households and achieve a better socio-economic balance in all neighborhoods.
- *General Plan Flexibility:* The City's General Plan provides the ability to approve housing developments that are 100% affordable – regardless of the land use or density designation for specific properties – as long as the City's other urban design and infrastructure-capacity policies are met.

- *Transit-Oriented Development Corridors:*

The General Plan designates these corridors as areas suitable for higher density housing, as well as more intensive non-residential uses and mixed uses.

- *Development Tax/Fee Exemptions:* The City exempts construction of units affordable to very low-income households from several “impact fees and taxes” normally assessed on new development to finance public infrastructure. In addition, the Redevelopment Agency, rather than the developer, pays the parkland-impact fees for units affordable to both very low- and low-income households.

NOTE: The criteria for extremely low, very low, low and moderate income is based on the Santa Clara County median income levels.

PRODUCTION

The City of San José continues to be one of the nation's largest producers of affordable housing. Between 1988 – 2000, the City financed the production of over 8,700 affordable new units, over 1,037 shelter beds and transitional shelter units, and over 2,000 rehabilitated housing units. In October 2001, the Mayor and City Council approved an ambitious five-year 6,000 unit affordable housing production goal, twice the rate of production in the previous five year period. The City has met the 1,469 unit production goal in the first two years.

San José provides development financing for a variety of affordable housing types and styles. In the rental arena, financing is made available for developments targeted to families, to seniors, and to special populations. Shelters for the homeless and for single room occupancy (SRO) projects for the homeless and those at risk of homelessness are also included.

The City of San José has successfully carried out one of the nation's most active affordable housing programs, in one of this country's most expensive housing markets.

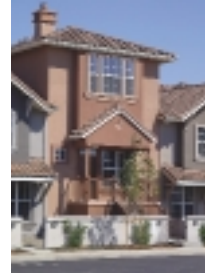
To achieve these impressive results, the City uses its funds as gap financing – which is funded primarily by the annual infusion of 20% of the Redevelopment Agency's gross tax-increment receipts. Through the aggressive pursuit of companion financing – primarily Low-Income Housing Tax Credits and tax-exempt, private-activity bond authority – by the City's development partners, the City's funding is highly leveraged.

PRODUCTION FURTHERS CITY HOUSING POLICIES

- Since July 1, 1999, the City has allocated over \$107 million for new construction, with 24% being allocated for units affordable to extremely low-income, 50% to very low-income, 15% to low-income, and 11% to moderate-income. Between 1999 and 2004, the City Council has committed over \$55 million for the production of 650 units for affordable to extremely low-income households.
- A nationally recognized Teacher Homebuyer Program has placed over 140 teachers and their families in their first homes. Many of these teachers are now able to live much closer to the schools where they teach and become active members of their community.
- The City's Housing Rehabilitation Program continues to assist in making San José neighborhoods safer and more attractive. It is an integral part of the joint City/Redevelopment Agency Strong Neighborhoods Initiative (SNI). Many homeowners in neighborhoods are doing their part by repairing and repainting their properties. This program helps property owners, including owners of rental property, with these efforts. In fiscal year 2000-2001, \$5.8 million of rehabilitation assistance, in the form of loans and grants, was utilized by more than 300 households. During the same time period, grants totaling nearly \$1.2 million were designated for the exterior repainting of 700 units.
- The policy of dispersing City-assisted rental housing developments continues to be successful. Numerous attractive and often award-winning projects enhance outlying neighborhoods. An excellent example is the 71-unit DeRose Gardens senior housing development. It was San José's first low-income housing tax credit project. Completed in 1990, it continues to enhance the Willow Glen area.
- City-assisted housing helps to relieve traffic congestion through smart growth. The production of 4,145 units in 25 separate City assisted housing developments along have been built existing transit corridors, including the light rail transit.

EXCELLENT EXAMPLES OF HOUSING DEVELOPMENTS ALONG EXISTING TRANSIT CORRIDORS

1. "Midtown Trio"– The 90-unit Parkview Apartment project, the 191-unit Parkview Senior Apartments project and Phase 1 of the 62-unit Crescent Parc For-Sale townhouse developments are completed. Together with a new Safeway grocery store, they are clustered on the former Sears site along San Carlos Street, a major artery leading to Downtown.



2. Almaden Lake Apartments (144 very low-income family units) and Homes at Almaden Lake (84 moderate-income and market-rate ownership units), together with the recently completed Almaden Lake Village (250 unit mixed-income rental project), are clustered near the Almaden Light Rail Station. Almaden Lake Apartments and Homes were developed by a partnership between a nonprofit organization and for-profit developer, who initially purchased the entire site with City financing.

3. Award winning Ohlone Court Apartments (135 very low-income family units) and the Ohlone-Chynoweth Commons Apartments (195 low and very low-income units)—shown on the front cover of this brochure—are next to the Ohlone-Chynoweth Light Rail Station. Completed in the Spring of 2001, Ohlone-Chynoweth Commons is the 25th City-financed housing project – resulting in a total of 4,145 units – along existing and future light rail lines.



4. The 110-unit Pensione Esperanza Single Room Occupancy (SRO) project, located near the Cahill Station, a major regional transit hub, is another successful example of transit-oriented housing.